

Understanding Amazon Best Practices For Marketing Your Brand



MEASURABLE MARKETING THAT MOVES YOU



Effective Amazon Marketing Strategies

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SINCE 1996, I'VE HELPED CLIENTS GENERATE awareness, clicks and conversions via search engines. Over the past decade or more, Amazon has transitioned from a major advertiser on Google to a real threat to Google's future. According to a Kenshoo study, 56 percent of consumers start product searches on Amazon. That number increases to 2x in a similar BloomReach study. On the seller-side, 63 percent of Amazon Advertisers plan to increase budget next year (a larger percentage increase than Google and Facebook spends). In short, Amazon is the new Google in many respects. If you don't have a solid Amazon marketing strategy in place, you're at a disadvantage. This article explores best practices when creating an effective Amazon marketing strategy.

Strategic Planning

Whether you are a manufacturer, physical or on-line-only retailer, you need to evaluate a presence on Amazon. Many brands are already on Amazon and have been for years, but I regularly talk to small

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brands and boutique retailers that are not on Amazon and are hesitant to jump in with both feet. To assess the viability of a presence on Amazon, you must build a strategic plan.

Competitive Benchmarking

One of the first and best places to start is to evaluate the competitive landscape. If most of your competitors are on Amazon, that indicates the potential need to remain competitive by joining the fray. Conversely, if your competitors have yet to set up stores on Amazon, it may indicate an opportunity to gain a competitive edge. Manufacturers have a greater challenge, as they must consider the impact on the wholesale/retail channel relationships. Some manufacturers create Amazon-only sub-brands or product lines to protect brand and channel perception. Retailers must also be aware that competitors may be creating 'unbranded' stores to protect brand equity, yet still leverage the channel.

Keyword Research

Regardless of the number of competitors, the next logical step is to conduct keyword research to understand which brands and products are most popular and competitive. Within the Amazon platform, sellers will see keywords ranked based on the Best Seller Ranking (BSR), which is determined primarily by sales volume, but includes other variables. While searching on Amazon is helpful, utilizing tools like Google Keyword Planner and MOZ are helping see the entire keyword universe, including search engine traffic.

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Pricing Strategy

Once you've identified your product selection, the next step is to develop a pricing strategy. Setting pricing is one of the single greatest influences on ranking factors in product searches. While lowest price is an obvious evaluation criteria, it is not the only factor. The goal on Amazon is to own the "Buy Box" or yellow purchase button associated with every product. \$56 billion of Amazon's \$62 billion in sales are triggered by the Buy Box.

While there are a host of dynamic pricing tools available, Amazon provides an 'Automate Pricing' tool on Seller Central to help automate pricing decisions. There are two pro tips to consider helping increase sales and Buy Box percentages. Strategies worthy of testing include Lightning Deals, Early Review Program and product bundling (creating a new ASIN). Setting and managing pricing is an important part of the Amazon Seller Central experience, but it can get technical very quickly, so I will save that for another day.

Fulfillment

Before we delve into product page optimization and advertising, I want to touch briefly on a key business decision that will influence how you market your products or Amazon store. Before you sell any product on Amazon, you must decide where it will be warehoused, who will manage inventory and shipments and provide customer support. Amazon offers three options: [Seller Central](#), [Vendor Central](#) and [Vendor Express](#). In short, Vendor Express is the best place to start, as it is low risk. Vendor Central provides additional benefits, but is available by invitation only. Seller Central offers the most control over pricing and

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margins, but also carries higher risk. The chart below outlines the differences between options:

| Perks | Seller Central | Vendor Central | Vendor Express |
|------------------------------|---------------------------------|-----------------------|-----------------------------|
| Access | Open to all | By invitation only | Open to all |
| Main Benefit | Higher margins | Good cash flow | Greater turnover |
| Disbursements | 14 days | 60-90 days | 90 days |
| Price Control | Yours | Shared | Amazon's |
| Sales Margins | Higher | Lower | Lower |
| Inventory Control | Yours | Amazon's | Shared (Direct Fulfillment) |
| Shipment Control | Yours for MFN, Amazon's for FBA | Amazon's | Shared (Dropship if needed) |
| Qualifies for Prime Shipping | Possibly | Always | Always |
| Listing Limit | None as Pro Merchant | None | 85 items |
| Sponsored Product Ads | Yes | No | No |
| Amazon Vine | No | Yes | No |
| Advertising | Yes | AMS, AMG etc. | AMS |
| A+ Content | No | Yes | Yes |
| Sales Manager | You | Amazon Vendor Manager | Amazon |

In addition to Vendor Express, Fulfillment by Amazon (FBA) is generally a great way to get product onto Amazon, with potential to reach Prime customers and even achieve Buy Box status, although pricing is typically higher and thus less competitive. In this model, you ship your product to Amazon and they manage fulfillment for your direct sales. This is ideal for smaller businesses that need to focus on product development and marketing instead of warehousing and logistics.

Organic Product Page Optimization

There are two primary categories of Amazon ranking criteria: performance and relevance. Performance factors are primarily sales-related, while relevance factors are keyword-related.

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Performance Factors

Since Amazon is a retail marketplace that monetizes transactions, product pricing and sales history are important performance factors. A complete list of performance ranking factors include: product pricing, product options (model, color, features, etc.), product availability, sales history, customer reviews and click-volume.

While product options, availability and sales history are straight-forward performance factors, pricing is its own complicated beast. Since pricing drives most purchases on Amazon, setting the right price is critical to generating ideal sales volume, product reviews and rankings. Achieving an optimal conversion rate requires data analysis. To view your current conversion rate, go to: Seller Central: Reports > Business Reports > Detailed Page Sales > Traffic > Unit Session Percentage.

Another key performance factor that is challenging but essential to manage effectively are customer reviews. In 2015, Amazon transitioned to a weighted system for measuring average star ratings. The algorithm for customer reviews is weighted with the following criteria: if a product is purchased at a discount, the age of the review and how helpful the review has been, based on visitor feedback. With a more sophisticated average formula, you can't incentivize reviews. You can remind customers to write reviews, however. The ideal outreach frequency is twice: after the order has shipped to set the expectation and a few weeks after the product has arrived, to give the customer time to use the product.

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Relevance Factors

Like Google's ranking algorithm, relevance factors focus on keywords embedded in the product page. Amazon's ranking algorithm is also like Google in that it does not appreciate keyword-stuffing or otherwise negatively impacting the user experience with poorly-crafted copy and irrelevant keyword usage. The primary relevance-related ranking evaluation criteria are outlined below:

- Brand Name: this field is linked to other products by the same brand
- Product Listing Title: brand, model, name, features, colors and sizes
- Product Descriptions: keyword-infusing all form fields in product listing
- Product Description: ideally bullet point format vs. paragraphs
- Field Keywords: appear in the product URL
- Nodes: identify product category relationships (Root > Parent > Leaf structure)
- Field-BrandTextBin: this field is dedicated to brand name and can be measured
- Line of the Product: additional opportunity to help categorize the product
- Color: self-explanatory, more selection is often better
- Material: don't forget to include all materials incorporated into the product
- Size or Dimensions: essential, especially for furniture, appliances and electronics
- Quantity: minimize returns by outlining the number of products included in the package

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When it comes to helping Amazon rank your product pages above the competition, it is essential to incorporate relevant keywords across all relevant fields mentioned above. The current keyword character limit is 250 (not including spaces or punctuation). The length limit applies to the total content in all generic keyword fields, with a max of 5 attributes.

When optimizing product pages, Amazon provides guidelines for sellers:

- Do not include keywords that are not descriptive of the product.
- Do not include brand names (even your own) or other product identifiers.
- Do not duplicate content that is present in other attributes, such as title and bullet points.
- There is no need to repeat keywords; once is enough.
- Use keywords that are synonyms, hypernyms, or spelling variations of content in visible attributes.

While the algorithm weights brand name, product title and description heavily, sellers cannot underestimate the importance of optimized product images. Best practices for image optimization include: providing high resolution (1,000 x1,000 pixel images) that are zoomable; images of the product from a variety of angles; product label closeup; action shots of the product in-use; product comparison or contextual images of product relating to a human hand or other point of reference; images including informational charts, graphics or even text.

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Amazon Marketing Services, AKA Advertising on Amazon

Amazon has transitioned from online retailer to advertising juggernaut in the past decade. Fifteen percent of marketers indicated in a recent survey, that they were using all of Amazon’s advertising products—called Amazon Marketing Services (or AMS). Another 17 percent of advertisers said that they had a fully developed and fleshed-out strategy specific for Amazon. That is a relatively small percentage, which indicates plenty of opportunity for growth.

Advertising Products

Amazon currently offers three core ad products: Headline Search ads, Product-display ads and Sponsored Products. Sponsored Products and Headline Search both use keyword targeting, while product-display ads are targeted more by types of categories used for competitive placements. All ads run through the Amazon Advertising Platform (AAP), and includes a variety of formats, including: display ads, mobile banner ads, interstitials and in-stream video ads.

The ad product line continues to expand and increase in complexity. Amazon’s non-standard advertising media offerings include: Amazon Video Ads, Billboard Below the Fold, Daily Deals Site Stripe, Marquee Ads, Offer Listings Stripe and Seller Central Ads. Newer ad products are also available:

- Amazon Dynamic Ecommerce Ads: eCommerce Ads introduce Amazon features like Add to Cart and Customer Reviews into display ad units.
- Amazon Mobile Shopping: Banner ad placements on Amazon’s Shopping Apps and the mo

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bile version of Amazon.com.

- Plus: Fire Tablet, Fire TV, Android with Ads, Standard Media and IMDb ad products

Eligibility Criteria

Unfortunately, not everyone can take advantage of AMS offerings. Amazon's [Seller Eligibility Criteria](#) include two primary requirements: you must have an active professional seller account and enroll in Amazon Brand Registry to use Headline Search ads. For more information about AMS, check out the following links: [How it works](#), [AMS FAQ](#), [Getting started webinar](#), [Advertising specs and policies](#) and [Amazon Sellers Education YouTube channel](#).

Sponsored Products

Amazon's [Sponsored Products](#) is the primary engine within the AMS suite. Atlantic Equities indicates Amazon is a strong stock marketing investment, as Sponsored Products sales grew more than 100 percent this year. Revenue is expected to grow to \$8.8 billion by 2020 from an estimated range of \$1.5 billion to \$2 billion last year. Placements on desktop can be above, alongside, or below search results as well as on product detail pages.

Bid Strategies

Amazon weighs many parameters to choose a winning bid across campaigns. The ad ranking system includes the following factors: daily budget, keyword relevance, ad rank, ad relevance and buy box eligibility. The advantage of an aggressive spending approach is that you'll get data more quickly. The more insight you have into impressions, clicks and sales, the more

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effectively you can build high-performing campaigns and decrease spend as optimization strategies make an impact.

Amazon Bid+

New sellers are at a disadvantage when first setting up campaigns. One way to gain traction with AMS campaigns is to go big fast, as mentioned above. Amazon Bid+ will automatically boost ad group or keyword bids on a manually targeted campaign up to 50 percent when enabled. Amazon often displays ads enabled with Bid+ in the top row of the search results page. The conventional wisdom is that the top row receives higher click-through and conversion rates, but that also translates to a higher cost-per-click (CPC) and can impact overall spend. Bid+ can't be used to boost ads that aren't performing. Bid+ is only available for manual campaigns and reporting is currently limited. To understand how your ads are performing, use the Performance by Placement report to compare individual campaigns using Bid+. Sellers can use this report to view the performance of their campaigns when Bid+ is on or off. This report measures impressions, clicks, CPC, spend, and sales of each Bid+ campaign.

Ad Management Options

While many Sellers utilize Amazon Campaign Manager for bid management, there are other options available. The Campaign Manager is a less-sophisticated version of Google AdWords, with both manual or automated keyword-bidding options. Additional options include [SELLICS](#) (an all-in-one platform), [Kenshoo](#) via API (sophisticated bid management platform) and [Ignite](#) by SellerLabs (Amazon-specific platform). Determine your

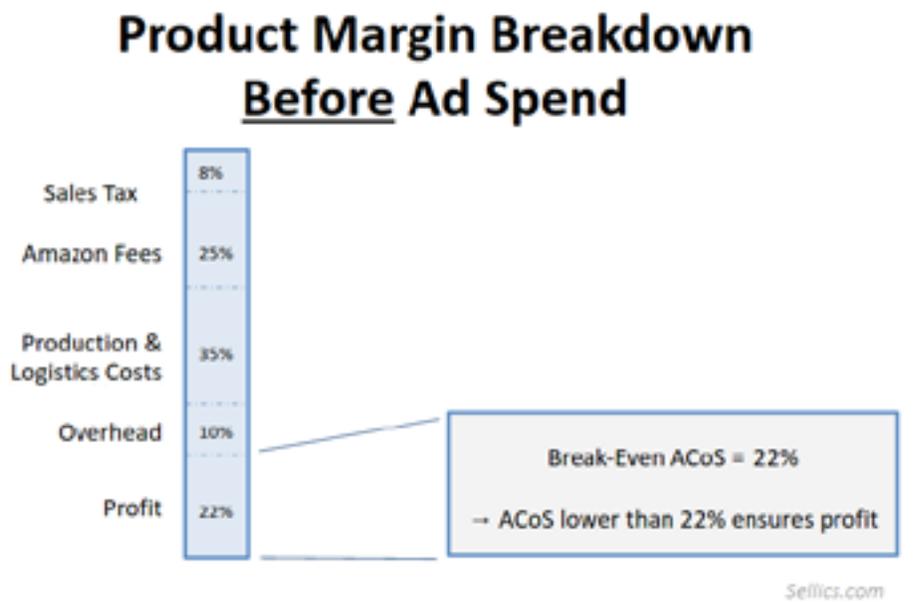
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level of need based on available resources, budget and revenue goals.

Measurement

Be sure to build ad campaigns to be profitable, which means understanding your break-even Advertising Cost of Sale (ACoS). As a key performance indicator, the ACoS indicates the ratio of ad spend to targeted sales. The chart below from SELLICS outlines the basic ACoS math:



Additional Amplification

Beyond optimizing product pages for organic Amazon searches and mastering AMS offerings to increase reach and sales, there are other ways to increase traffic to your Amazon store, like social media and blog posts. Product posts and promotions can perform well on social media, but descriptive blog posts linking to product pages can perform even better, both in terms of organic search rankings and conversions, since shoppers are already engaged with your brand. Email

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marketing is another way to drive traffic to Amazon product pages, especially if you do not sell direct on your website. Don't forget to create an affiliate link to maximize margins.

With more than half of all product searches beginning on Amazon, manufacturers and retailers can no longer afford to ignore the marketing juggernaut. A successful Amazon presence requires research, planning and a long-term commitment. After conducting competitive research, setting pricing and optimizing product pages, focus your efforts on advertising to maximize reach and conversions. As the old saying goes, 'if you can't beat 'em, join 'em.'

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Resources

[Amazon SEO: A guide to improving your rankings on Amazon](#)

[63% of Amazon Advertisers Plan to Spend Even More Over the Next Year](#)

[Amazon Is Opening Up Its Ads Business, and Marketers See a Big Opportunity to Shake Up Search](#)

[SEE HOW ANVIL CAN ASSIST YOUR BRAND WITH AMAZON](#)